

Transportation industries have been fundamentally impacted by the COVID-19 pandemic.

While the movement of goods has remained an essential service and borders remain open for trade, the movement of passengers has been decimated.

International passenger services have either been eliminated or cut back to 10% or less of normal capacities. Domestic travel is also down, with many carriers suspending services, some going out of business and all parking airplanes, laying-off staff and bleeding cash. The industry anxiously watches weekly schedule changes for a slowing of reductions and some sign of green shoots of recovery.

Since about half of cargo is shipped in the bellies of passenger flights, we have the anomaly of a lack of available cargo capacity at the time when medical supplies are most urgently required. Some airlines are dedicating passenger aircraft for cargo, strapping packages into the seats.

Airports and other terminals have seen their revenues collapse with flight cancellations and few passengers on those that remain. Landing fees, passenger charges, fuel and other concession sales have tanked. However, many costs are not elastic. Canada's Government has suspended airport rents where it is landlord, which helps but does not solve the financial crunch.

Rail, bus and marine are all "in the same boat".

Transportation businesses are generally able to access the universal government assistance programs, but for many this may not be enough, and industry experts predict a slow return to traffic levels needed to sustain the industry.

Measures to convince people that it is safe to travel are evolving. Sanitization of passenger cabins and compartments, airports and terminals has increased. Some suggest keeping the middle seat empty, but there is little science to show the efficacy of doing that (there have been very few cases of virus transmissions on aircraft) and reducing capacity in that way would require fare increases of 40 - 50% to make up for lost revenue.

Transportation is heavily regulated. Transport Canada has led Canada's charge to respond to the pandemic. Because of our size and geography, domestic travel remains open, if drastically reduced in most cases.

The mandatory isolation for international travellers has been lifted for flight and marine crew, and drivers, with revised procedures to minimize the risk of transmission.

The exercise of privileges often requires on-going training, testing and certification, much of which requires personal interaction. With contact being minimized if not eliminated, Transport Canada has granted many exemptions to postpone compliance and permit document holders to continue to work.

Here is the Transport Canada website with links to all modes and the measures being taken to keep transportation moving: <https://www.tc.gc.ca/en/initiatives/covid-19-measures-updates-guidance-tc.html>.

Globally, the International Air Transport Association which represents the major international operators, has many initiatives to assist carriers and governments to adopt practical, effective processes: <https://www.iata.org/en/programs/safety/health/diseases>.

There are additions and evolving changes almost daily as Government and Industry work together to address the many challenges being faced.

Please do not hesitate to contact your relationship partner or lawyer if you have any questions or if we can be of assistance in guiding you through these new challenges.

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This article represents general information and is not legal advice. Please contact us if you would like legal advice that is tailored to your particular circumstances. We would be happy to help.